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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Evaluate the Mobilehome Park Pilot Program and to Adopt Programmatic Modifications.	Rulemaking 18-04-018

ADMINISTRATIVE LAW JUDGE'S RULING SEEKING INFORMATION ON ESTIMATED MOBILEHOME PARK CONVERSION AND UPGRADE COSTS

Summary

This ruling seeks information on the estimated costs of converting and/or upgrading Mobilehome Parks (MHPs) to different potential electrification ready standards. The respondents to this proceeding shall file the information and estimates provided in this ruling not later than May 31, 2022. Parties may file comments on the May 31, 2022 filings not later than June 14, 2022. Future proceeding activities may explore non-cost issues related to the development of electrification ready standards, including topics such as feasibility of different standards, potential financial and other benefits to various stakeholders, and the potential use of pilots to acquire additional relevant information.

1. Background

On April 26, 2018, the Commission approved an Order Instituting Rulemaking (OIR), Rulemaking (R.) 18-04-018, in which to evaluate and consider modifications to the MHP Pilot Program established in Decision (D.) 14-03-021 and extended via Resolution E-4878 in 2017. According to the OIR, "[t]he purpose of this OIR is to undertake a comprehensive evaluation of the MHP Pilot

Program and determine based upon that evaluation whether the program should be adopted as a permanent MHP Utility Program on a going forward basis and if so, under what provisions and guidelines."[1] The first phase of this proceeding resulted in the adoption of D.20-04-004, which established a 10-year MHP Utility Conversion Program (MHP Program) to run from 2021 through 2030, with rules and targets informed by the results of the evaluation of the MHP Pilot Program.

As provided in the assigned Commissioner's Phase 2 Scoping Memo and Ruling (Scoping Memo) issued on December 23, 2020, initial activities in Phase 2 of this proceeding focused on consumer protection. Consumer protections for the residents of participating MHPs were adopted in D.21-08-025, on August 19, 2021.

On July 20, 2021, the assigned Administrative Law Judge (ALJ) issued a ruling (July Ruling) requesting preliminary information on the second issue identified in the Phase 2 Scoping Memo, development of an electrification ready standard for the MHP Program. On August 13, 2021, five parties or groups of parties[2] filed opening comments responding to the questions contained in the July Ruling, and on September 3, 2021, three parties or groups of parties[3] filed reply comments. In general, all filing parties agreed that in order to determine whether any electric service standard should be adopted, and certainly to develop a specific electrical service standard if one is to be adopted, the

[1] OIR at 10.

[2] Comments were filed by the following: California Association of Small and Multi-Jurisdictional Utilities (CASMU), the San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and jointly by the Southern California Gas Company (SoCalGas) and Southwest Gas (SW Gas) (Joint Gas Utilities)

[3] Reply comments were filed by the following: The Utility Reform Network (TURN), SCE, and jointly by SDG&E and SoCalGas (Sempra).

Commission needs more information on the costs, benefits, and feasibility of various service standard options. This ruling requires respondents to gather and file in this proceeding specific information and estimates on the costs of multiple possible electric service standards, along with the actual or potential load impacts of those same standards. The information required in this ruling will provide a foundation for additional activities in this proceeding, possibly including additional comments and workshops, as needed, to create a record on the desirability and development of a service standard.

2. High-level Cost Information from Recent Participants in the MHP Program

In comments on the ruling issued on this topic last year, parties generally agreed that it will be difficult to estimate a statewide or even service-territory-wide "average" cost for upgrading an MHP to a specific electrical service standard. Parties cite multiple factors that may affect the costs of serving an MHP through the existing MHP Program. These factors include but may not be limited to the size, number of coaches, condition of existing gas and electric infrastructure, local utility and government standards, and age of both a park facility itself and the individual coaches used at a specific facility.

While averaging the costs to upgrade various MHPs served through the MHP Program will not produce a precise cost estimate for determining the reasonableness of a given electric service standard, evaluating actual costs is essential to reaching this determination. Actual program data will illustrate a range of costs in facilities served through the program. Furthermore, this information should be readily available to the utilities as implementors of the MHP Program and given existing Program reporting requirements.

2.1. Requirement for Recent Actual Costs

Consistent with the need for actual data, this ruling requires utilities to provide existing project data, including costs, required materials, and labor for two recently completed MHP conversions (since July 1, 2021) through its MHP Program. Specifically, each utility shall provide information on one MHP capable of serving more than 50 coaches and one limited to serving fewer than 50 coaches. If a utility has not completed two MHP conversions since July 1, 2021, it should provide these costs for its two most recent conversions.

For each MHP chosen, the utility will also include a narrative describing both why it chose to include that facility, and the ways in which the particular facility may (or may not) represent other Category 1 priority MHPs (as defined in D.20-04-004) within its service territory that it expects to serve through its MHP Program before the program's current sunset date in 2030.

All respondents will work with staff from the Commission's Energy Division to develop a consistent template for the required data based on the spreadsheet attached to this ruling as Attachment 1. The final template agreed upon with Energy Division will include at least the information needed to fully populate the spreadsheet attached to this ruling. Each respondent will use this template to provide information on its two recently treated MHPs and for the common case.

2.2. Requirement for Estimates of Implementing a Higher Electrification Ready Standard in Recently Served MHPs

In order to compare the cost of work conducted under the existing program with the cost to the program in the event that a higher electrification ready standard is adopted, we also require the respondents to provide estimates of the cost to serve these recently-served MHPs assuming that the program

required a higher electrification standard of 200 amperes (amps). Each utility will use the template spreadsheet agreed-upon with staff to estimate and report those costs to facilitate analysis of the cost and impact of different program electrification standards. Because we are requiring respondents to base these estimates on the same specific MHPs as the actual data described above, and to provide comprehensive estimates using the same format used for the actual MHP costs, respondents need not provide an additional narrative of how the park differs from other parks in its service territory. Instead, each respondent may include in its narrative filing any notes or comments that could be helpful for understanding the cost differences.

2.3. Requirement for Estimates of a Common Case Scenario based on a specific example facility

In addition to the data and estimates required in Sections 2.1 and 2.2, each utility will also estimate the program costs to serve a particular sample MHP identified by staff. Respondents will cooperate with staff to ensure that data for the "common case" is provided under both current standards and for an enhanced electrical standard of 200 amps. Because all respondents will be providing estimates for comparable work at a specified park, we expect that this information will provide insight into the costs for similar work by different utilities. It may also allow for a comparison of the costs and impacts of different potential electric service standards. Respondents will use the same template (based on Attachment 1 and agreed upon with staff) to report their estimates of costs from serving this common case through the MHP program at both the current standard program level and an enhanced electrification ready standard of 200 amps. Respondents should include in their filing a narrative description of any relevant information not captured in the basic template.

3. Estimate of Load and Cost for an All-Electric Coach, Including Modern Electric Appliances, Assuming Discontinuation of Current Natural Gas Service or Propane Use

Currently, the MHP Program defaults to installing 100 amp service for coaches in participating MHPs. The primary purpose of Phase 2 of this proceeding is to determine whether to adopt an electrification ready standard, and efforts in this phase to date have focused on the potential costs and load impacts of increasing the electrification ready standard to 200 amps, a level that could sustain a fully electrified coach. Among other benefits, full electrification of coaches and MHPs could reduce dependence of parks on propane and other fuels that contribute greenhouse gas (GHG) and may accelerate or worsen climate change.

Fundamentally, however, we currently have little data to use in determining whether a standard of 200 amps is reasonable, consistent with state goals, or even feasible. For these reasons, the Scoping Memo for Phase 2 included the possibility of creating a pilot under which the MHP Program could support full electrification of MHPs, to determine whether such an approach would either enhance safety or contribute to reaching California's climate goals.

At this point, we lack information on both the costs of supporting full electrification and the potential impacts of such electrification on local distribution systems that would be required to handle the increased loads. As a result, we have insufficient information on which to decide if a pilot for full electrification is necessary, and if so, to design an effective pilot. Nevertheless, exploring the costs and potential impacts of full electrification now has several advantages. Eventually, information on the full electrification of mobilehome coaches could assist the Commission in designing an effective pilot

to gather data on the actual impact of full electrification, if the Commission later chooses to do so. More immediately, however, collecting information on the potential costs and expected load increases associated with full electrification of a mobilehome coach can assist us in determining what electrification ready standard, if any, to adopt. For example, determining the amperage actually needed to fully electrify a coach will allow the Commission to make a more informed choice on what standard to adopt in the short term, and whether a 200 amp standard is necessary or sufficient if the Commission were to adopt full electrification as a goal in the future.

The California Department of Housing and Community Development (HCD) provides an electric load estimate worksheet for manufactured homes.[4] This worksheet may provide a basis for estimating the load impact of many aspects of full electrification, but it does not include a comprehensive list of appliances and services that may be necessary for full electrification. For example, state policy supports providing electric vehicle charging opportunities to communities throughout the state, but such charging equipment is not listed on the standard HCD load estimate worksheet.

In order to get estimates of the costs and load impacts of full electrification of MHPs, we require the three larger electric utilities, PG&E, SCE, and SDG&E, to work with Energy Division staff to collect information about the costs and potential load impacts of full electrification of a mobilehome coach. This will involve determining what types of equipment should be included in the load impact analysis of a fully electrified coach and estimating the load impacts of all needed equipment. These estimates should be broken down into specific

4 https://www.hcd.ca.gov/building-standards/manufactured-modular-factory-built/docs/hcd-mh527.pdf

categories to ensure that the cost and load contribution of different appliances, and especially of more advanced or energy intensive equipment such as electric vehicle charging, air conditioning, and water and space heating can be determined. PG&E, SCE, and SDG&E will work closely with staff to determine what information is needed to inform Commission analysis of full electrification, and to compile and submit that information in a consistent manner along with their May 31, 2022 filings.

In addition, we ask the utilities to submit any other data that will help to determine the appropriate electrical panel size for a fully electrified coach with electric vehicle charging capability. Staff may work with parties to develop a template or format for this information, if needed, and PG&E, SCE, and SDG&E should each provide its own estimates of load impacts consistent with staff direction. This information, and any narrative explanations related to it, shall be filed along with the information required in Sections 2.1, 2.2, and 2.3.

4. Schedule for Additional Activities

As provided in the Phase 2 Scoping Memo, the record on this issue will be developed through filed comments and workshops (if needed). Respondents shall file the data requested in this ruling not later than May 31, 2022. Parties may file responses to these compliance filings no later than June 14, 2022. Based on the May filings and June comments, staff and the ALJ will determine whether workshops or other activities would be helpful in developing the record on this issue.

EVENT	DATE
Compliance Filing from Respondents (*see* attachments for format)	May 31, 2022
Reply comments filed and served	June 14, 2022

If further process, including additional workshops, are appropriate, information on those activities will be provided to the service list at a later date.

IT IS RULED that:

1. Respondents shall work with Energy Division staff to develop a template for cost estimates as described in Sections 2.1, 2.2, and 2.3. The final template will be based on the table contained in Attachment 1.

2. PG&E, SCE, and SDG&E shall work with Energy Division staff to identify and estimate the costs and load impacts of full electrification of an MHP coach. These estimates should be broken down into specific categories to ensure that the cost and load contribution of different appliances, and especially of more advanced or energy intensive equipment such as electric vehicle charging, air conditioning, and water and space heating can be determined.

3. Respondents shall file and serve the information required in Sections 2.1, 2.2, and 2.3 of this ruling, no later than May 31, 2022. Each filing shall include the templates developed pursuant to Ruling Paragraph 1 completed with actual and estimated data, as well as any narrative explanations needed to explain or clarify the information in the templates.

4. PG&E, SCE, and SDG&E shall also include the information described in Section 3, above, in the May 31, 2022 filing.

5. Parties may file and serve comments on or responses to the May 31, 2022 filing no later than June 14, 2021.

Dated April 19, 2022, at San Francisco, California.

/s/ JESSICA T. HECHT
Jessica T. Hecht
Administrative Law Judge

ATTACHMENT 1

ATTACHMENT 1: PROJECT COST DATA

Instructions: The below worksheet asks for actual and/or estimated costs for Mobile Home Park utility infrastructure upgrades. The worksheet should be filled five times for five distinct cases (copy and add new worksheets). These are described below:
1) For a representative Mobile Home Park with **50 or more coaches**, getting both electric and natural gas service from one or more utilities, showing electric and gas service infrastructure upgrade costs for **actual existing loads**
2) For a representative Mobile Home Park with **50 or more coaches,** getting both electric and natural gas service from one or more utilities, showing electric and gas service infrastructure upgrade costs for **full electrification and upgrade to a 200 Amp electrical panel for each coach**
3) For a representative Mobile Home Park with **less than 50 coaches**, getting both electric and natural gas service from one or more utilities, showing electric and gas service infrastructure upgrade costs for **actual existing loads**
4) For a representative Mobile Home Park with **less than 50 coaches**, getting both electric and natural gas service from one or more utilities, showing electric and gas service infrastructure upgrade costs for **full electrification and upgrade to a 200 Amp electrical panel for each coach**
5) For the common case Mobile Home Park showing electric and gas service infrastructure upgrade costs for full electrification and upgrade to a 200 Amp electrical panel for each coach

TO THE METER COSTS

Category	Description of Costs asked	Cost / unit OR Hourly Rate for Labor ($)	# of Units, OR, Labor Hours	Total Cost ($)	Actual or Estimated [choose one]	Additional Notes *[e.g. include factors that are known to affect reported cost, such as bulk purchasing, local labor laws, site condition etc. Provide cost ranges (min/max/average) to reflect these fluctuations when applicable]*
Construction/ Direct Costs						
Civil/Trenching	To the Meter Construction costs for trenching and other civil related activities					
Electric System						
1. Labor	Labor cost for installation of distribution Electric assets, pre-inspection testing, decommissioning of legacy system. Do not double count Civil/trenching costs included above					
2. Materials [Add rows as needed]:	Cables, conduits, poles, transformers and other necessary materials for electrical construction materials required for electric construction					
E.g. Conduits, by type/ size		*E.g. $75/running ft*	*e.g. 100 ft*	*$7,500*	*Actual*	[E.g. text] *Varies by conduit size..*
E.g. Pedestal/s; by type/size, and parts						
E.g. Electrical panel and related parts						
E.g. Wiring						
3. Design/Construction Management	Cost for engineering, design and construction inspection cost					
Gas System						
1. Labor	Cost for installation of distribution Gas assets, pre-inspection testing, decommissioning of legacy system					
2. Materials [Add rows as needed]:	Pipes, fittings and other necessary materials required for gas construction					
3. Design/Construction Management	Cost for engineering, design and construction inspection cost					

ATTACHMENT 1: PROJECT COST DATA

Category	Description of Costs asked	Cost / unit OR Hourly Rate for Labor ($)	# of Units, OR, Labor Hours	Total Cost ($)	Actual or Estimated [choose one]	**Additional Notes** *[e.g. include factors that are known to affect reported cost, such as bulk purchasing, local labor laws, site condition etc. Provide cost ranges (min/max/average) to reflect these fluctuations when applicable]*
Other						
Labor (Internal)	Meter installation, gas relights, easements, environmental desktop reviews and other support organizations					
Non-Labor	Permits, vehicle utilization, payment discounts, consultant support (e.g., environmental monitoring)					
Materials	meters, modules and regulators					
Program Capital Costs	Costs driven by utility specific business models or cost accounting practices.					
Project Management Costs						
Project Management Office (PMO)	Program management office costs (Project Management, Program Management, schedulers, cost analysts and field engineers)					
Outreach						
Property Tax	Property tax on capital spending not yet put into service					
AFUDC	AFUDC is a mechanism in which the utility is allowed to recover the financing cost of it's construction activities. AFUDC starts when the first dollar is recorded on the project and ends when HCD complete the first inspection so that the new assets are in use by the residents.					
Other						
Labor (Internal)						
Non-Labor						
BEYOND THE METER COSTS						
Civil	Civil work beyond the meter may include removing garden walls, pouring concrete pads for meters, etc. Do not include Trenching if it has been included in TTM costs above					
Electric System	Labor and material for installing BTM Electric infrastructure					
1. Labor						
2. Materials [Add rows as needed]:						
Gas System	Labor and material for installing BTM Gas infrastructure (e.g. houselines, meter protection,					
1. Labor						
2. Materials [Add rows as needed]:						
Other						
Other Labor (Internal)	e.g. meter protection, foundations					
Other Non Labor	e.g BTM Permits, including HCD fees					

(END OF ATTACHMENT 1)